

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-------------------------------|---|-----------------|
| PURCHASED WATER ADJUSTMENT OF |) | |
| NEBO WATER DISTRICT |) | CASE NO. 97-519 |

O R D E R

On December 31, 1997, Nebo Water District ("Nebo") filed its application with the Commission for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Nebo purchases water from the City of Madisonville ("Madisonville").
2. Effective February 1, 1998, Madisonville will decrease its rates for wholesale water from \$1.82 per 1,000 gallons to \$1.71 per 1,000 gallons.
3. Nebo proposed to decrease the rates to its customers effective February 1, 1998.
4. During the 12 months ending November 30, 1997, Nebo purchased 89,242,000 gallons of water and sold 81,830,000 gallons.
5. Nebo's calculations are correct and show a decrease in purchased water cost of \$9,816.62, resulting in a purchased water adjustment of (\$0.12) per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Nebo's customers would decrease \$0.60 from \$26.05 to \$25.45 or 2.3 percent.

6. The purchased water adjustment of (\$0.12) per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

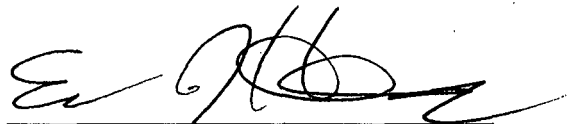
IT IS THEREFORE ORDERED that:

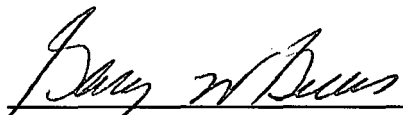
1. The purchased water adjustment of (\$0.12) per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after February 1, 1998.
2. Nebo's proposed tariff is approved.
3. Within 30 days of the date of this Order, Nebo shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 27th day of January, 1998.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO.97-519 DATED JANUARY 27, 1998

The following rates and charges are prescribed for the customers in the area served by Nebo Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Water Rates

5/8" x 3/4" Meter

| | | | |
|----------|--------|---------|------------------------|
| First | 2,000 | gallons | \$ 11.18 Minimum bill |
| Next | 2,000 | gallons | 5.09 per 1,000 gallons |
| Next | 6,000 | gallons | 4.09 per 1,000 gallons |
| Next | 10,000 | gallons | 3.59 per 1,000 gallons |
| All Over | 20,000 | gallons | 3.09 per 1,000 gallons |

1" Meter

| | | | |
|----------|--------|---------|------------------------|
| First | 4,000 | gallons | \$ 21.36 Minimum bill |
| Next | 6,000 | gallons | 4.09 per 1,000 gallons |
| Next | 10,000 | gallons | 3.59 per 1,000 gallons |
| All Over | 20,000 | gallons | 3.09 per 1,000 gallons |

1-1/2" Meter

| | | | |
|----------|--------|---------|------------------------|
| First | 10,000 | gallons | \$ 45.90 Minimum bill |
| Next | 10,000 | gallons | 3.59 per 1,000 gallons |
| All Over | 20,000 | gallons | 3.09 per 1,000 gallons |

2" Meter

| | | | |
|----------|--------|---------|------------------------|
| First | 20,000 | gallons | \$ 81.80 Minimum bill |
| All Over | 20,000 | gallons | 3.09 per 1,000 gallons |

3" Meter

| | | | |
|----------|--------|---------|------------------------|
| First | 30,000 | gallons | \$112.70 Minimum bill |
| All Over | 30,000 | gallons | 3.09 per 1,000 gallons |